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## MOBILE MONEY CONSULTATIVE GROUP MEETING HIGHLIGHTS

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*Group photo of event participants. Photo credit: USAID's mSTAR project*

The 7<sup>th</sup> [Mobile Money Consultative Group \(MMCG\)](#) meeting was held on September 26, 2016 at the Lakeshore Hotel in Dhaka, with a focus on “Improving Digital Financial Literacy in Bangladesh.” It was organized by [USAID’s Mobile Solutions Technical Assistance and Research \(mSTAR\) project](#) and hosted by Bank Asia Limited. The meeting was attended by 32 participants from 21 organizations. Refer to the Annex 1 for the full list of participants and Annex 2 for the agenda of the event.

The key objective of this meeting was to learn about different initiatives that development organizations and digital financial services (DFS) providers have adopted to boost the financial literacy of marginalized populations to increase their access to formal financial systems delivered by DFS. Members also discussed challenges with increasing digital financial literacy, and explored actions that are needed to increase digital financial literacy in Bangladesh, particularly among the underbanked and unbanked. For the purposes of this meeting, digital financial literacy was defined as the ability of individuals to understand and use digitally-enabled financial services, such as mobile financial services, agent banking, online banking, and other forms of digital financial services.

Some of the main discussion points from the meeting are summarized on the following pages below.



## **Challenges**

When talking about challenges, one representative shared his experience working to digitize the payroll of RMG factories. He noted that there is an interest from workers to avail the services and that they are quick to adapt technology. However, there are a few fundamental demand and supply side issues that need to be addressed in order to increase their digital financial literacy. There is an obvious issue of financial literacy from the demand perspective and most importantly there is a lack of trust in financial institutions from the workers. From the supply side viewpoint, digital financial products are primarily very basic and they do not cater to the specific needs of different groups of people. Another important issue is that products are generally very complicated for the workers in terms of both the user interface and language. Most of the mobile products are still offered in English, which is a big issue for RMG workers. He concluded by saying that even though there are challenges, he is very optimistic and believes that the state of digital financial literacy will improve in Bangladesh in the coming years.

Another participant shared a different perspective explaining that he does not think trust is the main issue. He believes the main barrier to digital financial literacy in Bangladesh is the way the products and the training materials are designed; the products should be designed keeping in mind the customer base. He further gave an example of a case of a group of rural women with no education who received cash disbursements from a development organization through mobile financial channels. During the training, it was found that instead of learning the numbers and the process, beneficiaries used patterns to remember their PINs. Thus it is very important to identify different potential customer groups and design products and training materials accordingly.

Another participant who works closely with fish farmers explained the challenges they faced during the operation of their project. They developed training materials mostly based on pictures as the farmers had little or no formal education. It was seen that they could not read or understand the USSD menu and the user interface so they had to break down the process very thoroughly.

Another participant from the MNO clarified that in view of her experience, she saw that the people living in the rural households know the basic financial functions so one cannot call them financially illiterate. It has been noted that they save and use informal credit, however, the challenge here in Bangladesh is the different approaches that are used. Different DFS providers try to provide distinct training whereas from a user's perspective, they do not wish to know the distinctive technical terms, they simply need to use the product based on their needs. She thus thinks it will be useful if the DFS providers customize their products and training materials according to the users' preferences.

A number of participants from both development organizations and DFS providers also expressed the challenge of creating and delivering digital financial literacy content and trainings. They noted that it can be expensive to do, a factor that is compounded by the fact that there is also a tendency for different organizations to go it alone, resulting in fragmentation and duplication of efforts. Another participant expressed the fact that without the collaboration of DFS providers, mobile network operators, development organizations and the regulatory bodies, it will not be possible to fully address these challenges.



## **Moving Forward**

Representatives from several digital financial service providers explained how they see all the challenges as an excellent opportunity for them to develop their products in such a way that these challenges can be eliminated. The moderator further posed the question to participants as to whether any of them would be interested in collaborating to develop unified content and training methodologies for digital financial literacy that can be consistently deployed with MMCG members and others working in this space. In response, representatives from SwissContact, BSR, FHI 360, ShasthoNet, HelpAge International, The City Bank Limited, and DBBL all expressed interest.

In addition, it was presented that, as the MMCG has grown in terms of membership and participation, it would be useful to take stock of what the group has achieved so far and discuss the way forward. For this reason, mSTAR/Bangladesh reached out to a few organizations to check their interest in collaborating more closely with the MMCG in the future. Among them, UNCDF responded positively as the MMCG represents a relevant platform to discuss DFS related issues and will contribute to the policy and advocacy work that UNCDF plans to undertake in the country. As a first step, UNCDF has offered to undertake an assessment of the group in terms of achievements, challenges, vision for the future etc. In this exercise, UNCDF will collaborate with MicroSave. As part of the assessment, it was proposed during the meeting that a new name may be considered for the MMCG, broader than just “mobile”. Several ideas were proposed, including the Virtual Money Consultative Group, the Digital Money Consultative Group, and the e-Money Consultative Group.

Finally, participants shared ideas for the next MMCG meeting, with the themes of ‘moving towards the integration of services’ and ‘expanding the value proposition’ seemingly garnering the most initial interest.

### **DISCLAIMER**

The views expressed in this publication do not necessarily reflect the views of the U.S. Agency for International Development or the U.S. Government.

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Annex – 1  
Participants List

SL	Name	Designation	Organization
1.	Md. Arfan Ali	Managing Director	Bank Asia Limited
2.	Md. Ahsanul Alam	Vice President, Agent Banking	
3.	Rumana Akhter Tulee	Senior Executive Officer	
4.	Adil Raihan	Senior Executive Vice President	
5.	Md. Ruhul Motin	First Assistant Vice President	
6.	Filippo Sebastio	Associate	Business for Social Responsibility (BSR)
7.	Abil Bin Amin	Bangladesh Country Representative	Action for Enterprise
8.	Md. Rafiqul Islam	Program Manager	SwissContact-Sarathi
9.	Jaheed Parvez	Team Leader	HelpAge International, Bangladesh
10.	Nirjharinee Hasan	Country Director	USAID's Agro-Inputs Project (AIP)
11.	Mahbub Alam	AIRN Supply Chain Advisor	IFIC Bank Limited
12.	Md.Asad-Uz-Zaman	Relationship Officer - Corporate Sales	IFPRI
13.	Sharmin Sultana Ferdousi	Research Officer	MicroEnsure
14.	Mir Rashedul Hossain	Country Manager	MicroSave
15.	Jakirul Islam	Country Manager	The City Bank Limited
16.	Nazmul Karim	SVP & Head of Brand	UNCDF
17.	Francesca Cioni	M & E Officer	
18.	Ziaul Hoque Mukta	Consultant	WorldFish
19.	Murad Ahmed	Portfolio Officer	ShasthoNet
20.	Sharif Hasan Khandaker	Managing Director & CEO	BIID.ORG
21.	Md. Shahid Uddin Akbar	CEO	bKash Ltd
22.	A.T.M Mahbub Alam	General Manager	bKash Ltd
23.	Md. Noor E Alam	Manager	Dhaka Ahsania Mission (DAM)
24.	Aklachur Rahman	MFC	DBBL
25.	Zaheed Mansur	Assistant Vice President	
26.	Monsur Rahman	Head of Corporate	GrameenPhone
27.	Rasheda Sultana	Senior Specialist	ACDI/VOCA
28.	Charles J Sarkar	Head of Finance & Admin	FHI 360
29.	Josh Woodard	Regional ICT & Digital Finance Advisor – Asia Pacific	
30.	Md. Majidul Haque	Technical Lead-DFS, mSTAR/Bangladesh	
31.	Ataur Rahman	Team Lead, mSTAR/Bangladesh	
32.	Tasnuba Sinha	DFS Associate, mSTAR/Bangladesh	



Annex-2  
Agenda

***“How can development projects and digital financial service (DFS) providers improve digital financial literacy to drive greater adoption of DFS in Bangladesh?”***

Time	Description
09:00 AM – 09:30 AM	Introduction and brief recap of last meeting
09:30 AM – 10:30 AM	<p><b>Probable Discussion Topics</b></p> <ul style="list-style-type: none"> <li>• The state of digital financial literacy in rural areas</li> <li>• Difficulties faced by development organizations working in rural areas as a result of the current state of digital financial literacy</li> <li>• Difficulties faced by providers trying to tap into rural markets due to the present state of digital financial literacy</li> <li>• Steps taken to date by development organizations and providers to address the problem of low digital financial literacy</li> </ul>
10:30 AM – 11:30 AM	Action plan to increase digital financial literacy in rural areas, outlining what role each participating organization can play
11:30 AM – 12:00 PM	Planning for next MMCG meeting (finalize topic, host institution)